

# *Virginia Works*

New Economic Development Tools  
for Rural Communities

- Economic development has been one of Governor Warner's highest priorities:
  - Historic new investment in education
  - Aggressive recruitment of industry to regions that have lost jobs
  - Restructuring of workforce training

- But there is more work to do:
  - Unemployment rates remain high in many of our rural communities and small cities
  - Rural income growth is lagging, and the income gap between those in rural and metropolitan areas is expanding
  - Global economic changes have hit our rural areas particularly hard

- A New Approach to Economic Development in Rural Virginia is Needed:
  - *Virginia Works* for Existing Business (\$4.01m)
  - *Virginia Works* for New Business (\$12.15m)
  - *Virginia Works* for Strengthened Communities (\$4.7m)

## *... for Existing Business*

- Support for Existing Industry
  - 2 industry-led regional partnerships to strengthen training and skills development for existing industries
  - \$2 million state grants with local and private sector match
  - Modeled on successful initiatives in Lynchburg and Smyth County
- Significant Regional Project Fund
  - Allow Governor, with consent of Board appointed by Governor and General Assembly, to use funds to save or recruit businesses with extraordinary impact on regional economy

## *...for New Business*

- Build on the existing strengths and assets of rural areas and smaller cities to create jobs in three targeted sectors:
  - Tourism
  - Specialty Agriculture
  - Advanced Manufacturing
- Increase Governor's Opportunity Fund by \$2 million

## *...for New Business*

- Tourism
  - “Rails to Trails” across Southside
  - New Virginia Trails linking existing destinations
  - Tourism Development Support for localities
  - Virginia Artisan Initiative
    - Develop two retail centers for artisans to market their products
    - Provide marketing assistance and business training to artisans
    - Create New Virginia Artisan Trail
    - Partner with VCEDA to develop artisan production facility in Coalfields regions
    - Modeled on successful programs in West Virginia, Kentucky, and North Carolina

## *...for New Business*

- Specialty Agriculture
  - Promote development and marketing of high-value, specialty agricultural products
  - Fund additional research and field tests at VT and VSU
- Advanced Manufacturing
  - Create Advanced Manufacturing/Packaging program
  - Support Sloan Foundation Forestry Industries Center
  - Create Virginia Small Manufacturing Assistance Program to help 30 small advanced manufacturing businesses improve processes and products
  - Develop new export assistance program for small manufacturers



## *...for Strengthened Communities*

- Create three new tools to help rural and distressed communities:
  - Virginia Community Development Bank
  - New Market Tax Credit Program
  - Redevelopment of Abandoned Manufacturing Sites

## *...for Strengthened Communities*

- Virginia Community Development Bank
  - Provide capital in rural and distressed areas for business and low-income housing
  - Capitalized with \$15 million of existing assets, which bank will leverage into \$150 million of loans to distressed areas
  - Operated as a private, non-profit institution
  - Will not compete with commercial banks
  - Modeled on successful programs in neighboring states

## *...for Strengthened Communities*

- New Market Tax Credit Program
  - Establish a new initiative to take better advantage of these federal tax credits for eligible community revitalization projects in rural and distressed areas
- Redevelopment of Abandoned Manufacturing Sites
  - Provide grants to acquire and tear down or renovate existing buildings

- Changes the way we approach economic development in rural and distressed communities
- Represents a series of small, targeted investments
- Builds on the existing strengths of rural areas by encouraging new specialized industries
- Provides new tools for communities to meet the economic challenges they face